

Message Text

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12

ACTION OPIC-12

INFO OCT-01 NEA-10 ISO-00 EB-11 COME-00 AID-20 TRSE-00

OMB-01 L-03 /058 W

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R 170610Z DEC 73

FM AMEMBASSY KABUL

TO SECSTATE WASHDC 6177

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FOR OPIC

E.O. 11652: N/A

TAGS: EFIN, BGEN, AF

SUBJECT: GENESCO/YAQUB PROJECT: OPIC LOAN/GUARANTEE CEREMONY
IN KABUL

REF: (A) KABUL 8350; (B) STATE 235600

1. SUMMARY: IF GENESCO/YAQUB TRANNING PROJECT GOES THROUGH WITH
OPIC INSURANCE AND LOAN, EMBASSY BELIEVES IMPORTANT PUBLIC RELATIONS
AND ECONOMIC OBJECTIVES COULD BE MET BY CEREMONY IN KABUL WITH
AMBASSADOR PARTICIPATING AS OPIC REPRESENTATIVE.

2. ECONOMIC POLICIES AND TRENDS OF NEW AFGHAN GOVERNMENT ARE NOT
RPT NOT YET IN ALL CASES FIXED. SPECIFICALLY, THERE IS SOME
EVIDENCE OF CONFLICT WITHIN GOA RE THE FUTURE ROLE OF PRIVATE
ENTERPRISE AND OF FOREIGN INVESTORS. IF THE U.S. CAN ASSIST
PROponents OF PRIVATE INDUSTRY TO REFINFORMCE THEIR ARGUMENTS,
WE MAY INFLUENCE FAVORABLY FINAL DETERMINATION OF POLICY DIRECTION
WITHIN GOA.

3. THE PARTICIPATION OF GENESCO, A MAJOR U.S. CONGLOMERATE, AND
OPIC, A U.S. G. CORPORATION, IN AN INDUSTRIAL PROJECT IN
AFGHANISTAN, ALONG WITH NEW INDUSTRIAL DEVELOPMENT BANK OF
AFGHANISTAN, IS MAJOR NEWS AS IT COULD BE THE BEGINNING OF
SIGNIFICANT NEW FOREIGN INVESTMENT IN AFGHANISTAN. THE PROJECT
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WILL SERVE AS AN EXAMPLE FOR GOA OFFICIALS AND OTHER AFGHANS

PROMOTING A GREATER ROLE FOR PRIVATE ENTERPRISE AND A PROPER CLIMATE FOR FOREIGN INVESTMENT. THE IMPACT OF THIS NEWS MIGHT BE DIMMED, HOWEVER, IF THE AGREEMENT IS COMPLETED QUIETLY IN THE U.S. , AND THE ONLY VISIBLE RESULT IS A SINGLE NEW PRIVATE FACTORY IN AFGHANISTAN.

4. THE GOVERNMENT-CONTROLLED PRESS IN AFGHANISTAN IS EAGER OFR NEWS WHICH DEMONSTRATES THE BENEFITS BROUGHT BY THE NEW REGIME AND THE REGIME'S ACCEPTANCE BY THE WORLD. THE RECENT SIGNING OF A SMALL AID AGREEMENT BETWEEN THE AFGHAN AIR AUTHORITY AND THE CANADIANS TOOK FRONT PAGE SPACE IN ALL PAPERS, ENGLISH, FARSI AND PUSHTU, AND THE ACTIVITIES OF THE CANADIAN TEAM WERE PROMINENTLY REPORTED FOR THREE DAYS.

5. THEREFORE, THE EMBASSY RECOMMENDS, IN THE EVENT THAT THIS PROJECT COMES TO FRUITION, THAT THE SIGNING BE DONE WITH FULL CEREMONY IN KABUL, WITH THE AMBASSADOR ACTING EITHER AS OPIC REPRESENTATIVE OR ALONG WITH OPIC REPRESENTATIVES, AND IF POSSIBLE, GOA PARTICIPATION IN SOME FORM, TO TAKE FULL ADVANTAGE OF THE PUBLICITY POTENTIAL FOR OPIC, GENESCO, THE U.S. IN GENERAL, AND THE ADVANTAGES OF PRIVATE ENTERPRISE PLUS FOREIGN INVESTMENT IN PARTICULAR.

6. ACTION REQUESTED: REQUEST THAT AMBASSADOR ELIOT BE DESIGNATED AS OPIC REPRESENTATIVE AND AUTHORIZED SIGN FORMAL LOAN AGREEMENT AND INVESTMENT GUARANTEE IN BEHALF OPIC FOR SUBJECT PROJECT. IF DEPT. AND OPIC CONCUR, PLEASE QUERY GENESCO. ELIOT

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Message Attributes

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